



Billing Code: 5001-06

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 20-02]**

**Arms Sales Notification**

**AGENCY:** Defense Security Cooperation Agency, Department of Defense.

**ACTION:** Arms sales notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification.

**FOR FURTHER INFORMATION CONTACT:** Karma Job at [karma.d.job.civ@mail.mil](mailto:karma.d.job.civ@mail.mil) or (703) 697-8976.

**SUPPLEMENTARY INFORMATION:** This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 20-02, Policy Justification and Sensitivity of Technology.

Dated: February 25, 2020.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



DEFENSE SECURITY COOPERATION AGENCY  
201 12<sup>TH</sup> STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

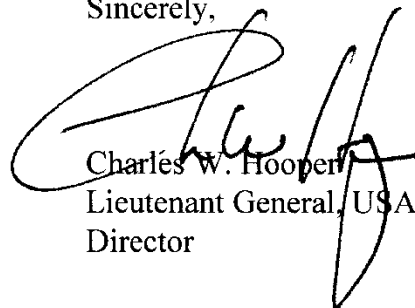
FEB 07 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-209, The Capitol  
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 20-02 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$990 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,



Charles W. Hooper  
Lieutenant General, USA  
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Transmittal No. 20-02

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Australia

(ii) Total Estimated Value:

Major Defense Equipment*	\$690 million
Other	<u>\$300 million</u>
TOTAL	\$990 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Up to two hundred (200) AGM-158C, Long Range Anti-Ship Missiles (LRASMs)

Up to eleven (11) ATM-158C LRASMs Telemetry Variant (Inert)

Non-MDE:

Also included are DATM-158C LRASM, Captive Air Training Missiles (CATM-158C LRASM), containers, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor representatives technical assistance, engineering and logistics support services, and other related elements of logistics support.

(iv) Military Department: Navy (AT-P-ANT)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex.

(viii) Date Report Delivered to Congress: **February 7, 2020**

\*As defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### Australia – Long Range Anti-Ship Missiles (LRASMs)

The Government of Australia has requested to buy up to two hundred (200) AGM-158C, Long Range Anti-Ship Missiles (LRASMs); and up to eleven (11) ATM-158C LRASM Telemetry Variant (Inert). Also included are DATM-158C LRASM, Captive Air Training Missiles (CATM-158C LRASM), containers, support and test equipment, publications and technical documentation, personnel training and training equipment, U.S. Government and contractor representatives technical assistance, engineering and logistics support services, and other related elements of logistics support. The total estimated cost is \$990 million.

This proposed sale will support the foreign policy and national security objectives of the United States. Australia is one of our most important allies in the Western Pacific. The strategic location of this political and economic power contributes significantly to ensuring peace and economic stability in the region.

Australia intends to use the missiles on its F-18 aircraft and will provide enhanced capabilities in defense of critical sea-lanes. The proposed sale of the missiles and support will increase the Australian Navy's maritime partnership potential and align its capabilities with existing regional baselines. This is Australia's first purchase of the missiles. Australia will not have any difficulty absorbing these weapons into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be Lockheed Martin, Orlando, Florida. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require annual trips to Australia involving U.S. Government and contractor representatives for technical reviews, support, and oversight for approximately five years.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The AGM-158C, Long Range Anti-Ship Missile (LRASM) system is classified SECRET. The LRASM is a non-nuclear tactical weapon system. It provides a day, night, and adverse weather, standoff air-to-surface capability and is an effective Anti-Surface Warfare missile. The LRASM incorporates components, software, and technical design information that are considered sensitive. The following components being conveyed by the proposed sale that are considered sensitive include:

- a. RF Seeker
- b. GPS/INS System
- c. Datalink
- d. Warhead
- e. IR Seeker

2. These elements are essential to the ability of the LRASM missile to selectively engage hostile targets under a wide range of operations, tactical and environmental conditions.

3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures, which might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. A determination has been made that Australia can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary to further the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. All defense articles and services listed on this transmittal have been authorized for release and export to the Government of Australia.